

**Critical Ecosystem Partnership Fund**

**Twenty-second Meeting of the Donor Council  
Conservation International, Arlington, VA  
18 December 2012  
8 a.m. – 11 a.m. EST**

**Selection of a new region for CEPF Investment**

**Recommended Action Item:**

The Donor Council is asked to select a new hotspot for CEPF investment. Following discussions held by the Donor Council in June 2012, the Secretariat has analyzed further the options and recommends that the Donor Council selects the Cerrado as the new hotspot, allowing CEPF to maintain geographical balance of portfolios worldwide.

**Background:**

During its 21<sup>st</sup> meeting, on 11 June 2012, the CEPF Donor Council reviewed a list of five prioritized regions for investment (see table below), with the aim of selecting two for future investment. The Donor Council reached consensus on the selection of Wallacea, and as a result the Secretariat has moved ahead to procure a team to prepare the ecosystem profile for this hotspot.

| <b>Rank</b> | <b>Hotspot</b>                              | <b>Countries</b>  |
|-------------|---|---|
| 1           | Mountains of Central Asia                   | Afghanistan, China, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan |
| 2           | Madrean Pine Oak Woodlands                  | Mexico  |
| 3           | Wallacea*                                   | Indonesia and Timor Leste   |
| 4           | Chilean Winter Rainfall - Valdivian Forests | Chile   |
| 5           | Cerrado                                     | Brazil  |

\* Approved for investment in June 2012

Consensus was not reached on the selection of a second hotspot from the remaining four hotspots, although preferences were expressed for two in particular: Mountains of Central Asia and Cerrado. The Cerrado was described as being a solid choice because it is underserved and under-capacitated, and because work could start relatively rapidly and demonstrate quick results. The Mountains of Central Asia was thought to be an opportune choice due to potential synergies with bilateral aid, but was also regarded as being a high risk region at the present time.

Because a decision could not be reached between the top choices of Mountains of Central Asia and Cerrado, the Chair of the Donor Council requested that the Secretariat research these two regions, and come back to the Council at their next meeting with additional information and a recommendation for selection. This additional information is attached as Annex A.

### **Secretariat recommendation**

While there are merits to investing in both the Mountains of Central Asia and Cerrado, the Secretariat recommends the selection of Cerrado for the following reasons:

- In 2013, CEPF will be active in only one hotspot in the Americas (Caribbean Islands). A new hotspot in the Americas would allow CEPF to maintain geographical balance and maintain its global impact.
- Start up cost and speed to implement the CEPF model are favorable in a single country hotspot.
- Ecosystem profiling and implementation could take place across the entire hotspot, due to absence of civil conflict.
- The Cerrado is poorly represented in the country's protected area network, and suffers from lack of funding, donor and government attention, and civil society capacity.
- The hotspot offers significant opportunity to partner with the private sector to address conservation challenges.

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## **Annex A**

### ***Mountains of Central Asia***

The hotspot hosts a diversity of geological and topographical features, including two of Asia's major mountain ranges, over 20,000 glaciers covering approximately 18,000 km<sup>2</sup>, and a number of major desert basins. The highest peak rises to 7,719 m, while the largest desert basin is 300 km long and 150 km wide. The Pamir mountain range, known to early geographers as "roof of the world", is



situated at the center of several great ranges. The Tien Shan lie adjacent to the north, the Hindu Kush to the southwest, the Karakorum to the southeast, and the Kun Lun to the east. The Pamir extend into western China, and south to the Wakhan Valley of northeastern Afghanistan. The eastern Pamir have a mean elevation of over 4,000 m; the plateau-like range is crossed by broad, shallow valleys or *pamir*. The western Pamir are heavily glaciated and have sharp ridges and steep slopes, and great elevational variation. To the west and southwest a series of ridges radiates out into the desert and these extend across the Pyanj River into the Badakhshan Province of northern Afghanistan.

The second major range, the Tien Shan – Chinese for “heaven” or “sky” – Mountains extend 2,500 km from west to east. The Tien Shan are made up of a complex series of ranges and are around 300 km wide in the center, narrowing at the eastern and western ends. The highest peaks are located in a central cluster on the borders of China, Kyrgyzstan and Kazakhstan. On the northern side, lower arid ranges run northwestwards into the desert. The Tien Shan drains mainly to the north, and the many streams plunging down the steep northern slopes have formed alluvial deposits on the plains below which provide sites for settlements; several major population centers are located there.

The geological origin of the mountains, the wide altitudinal range, and the extreme climatic variation have combined to produce great landscape and biotic diversity. There is significant variation in vegetation type, with desert, semidesert and arid steppe vegetation types predominating on the lower slopes and foothills, and in the basins. Alpine and subalpine meadows occur in the western part of the mountains, and have a great diversity of plants including tulips, aconites, fritillaries and gentians, and many endemics. There is no continuous forest belt, yet there are some unique forest assemblages. For example, there is a very diverse walnut-fruit forest that grows above the steppe zone in the western Pamir and Tien Shan, and which is unique to Central Asia, and extremely valuable as it contains wild relatives of domestic fruit varieties. Some of the walnut trees are estimated to be 800 years old. About 90% of the area hosting this habitat has been lost over the past 50 years.

The hotspot hosts at least 5,500 species of higher plants; 27% of which are endemic, including numerous high-altitude endemics. Many charismatic and well-known species of bulbs are found here such as *Tulipa greigii* – King of the tulips, which has been a favorite among horticulturists for centuries. There are 143 mammals (6 endemics), including majestic ungulates such as the Siberian ibex, Tadjik markor, Argali, Blue sheep and Goitered gazelle, and the Snow leopard, one of hotspot’s flagship species. The region is a stronghold for birds of prey; 493 species of birds occur in the hotspot although none are endemic. There are 59 reptiles (1 endemic), with diversity highest in the lower altitudinal ranges and the desert and semidesert areas, and nine amphibians (4 endemics). There are 87 endemic mollusks, and a limited fish fauna of 27 species (5 endemics) including the Kugitang blind cave fish which occurs in the southwest of the hotspot. The insect fauna is extremely diverse, with many beautiful and large swallowtail and apollo butterflies. Approximately 25% of Kyrgyzstan’s 10,000 insects are endemic.

Threats to the region are many and varied. Approximately 20 million people live in the hotspot, and this number is rising, as is the number of livestock, increasing the pressure on the environment. The major threats are habitat destruction due to conversion to agriculture and overgrazing, and unregulated hunting of animals and collection of plants. Uncontrolled fuelwood harvest, forest fires, as well as expansion of settlements, tourism infrastructure, and mining for coal, iron, oil, copper, zinc, lead and phosphates are also important threats.

A number of other factors also face the region. Civil conflict in Tajikistan during the 1990s and war in Afghanistan posed a direct threat to wildlife, while a more recent phenomenon affecting animals is the siting of minefields along some international borders. Damming, reservoir construction and irrigation have disrupted drainage and water supplies. Overfishing, invasive

species and climate change are additional threats. Glaciers in the area are estimated to have shrunk by nearly 20% during the last 35 years. Poor protected area coverage and weak legislative frameworks to protect wildlife characterize the region.

While the challenges of working in this hotspot are significant, many international donors are already present, including many of CEPF's donors including GEF, World Bank, and government of Japan). There are indeed many opportunities for synergy and complementarity if CEPF were to invest in this region.

### *Cerrado*

The Cerrado is the second largest of Brazil's major biomes (after Amazonia), originally covering some 2,031,990 km<sup>2</sup>, and representing the most extensive woodland-savanna region in South America. It is entirely tropical, its core occupying the central Brazilian Plateau, although it extends marginally into eastern Paraguay and Bolivia. Rainfall in the Cerrado is typically high, but is concentrated between April and October; many of the typical Cerrado plants are drought-adapted.



The hotspot is a gradient-mosaic of different vegetation types, determined primarily by soil conditions. These vegetation types range from closed-canopy dry forest to woodland savanna containing a well-developed herbaceous layer and small trees and shrubs. Other formations include scrub grassland, open grassland and gallery forests, in particular along the streams and rivers of the major drainages where they serve to connect mesic habitats.

The Cerrado is the richest of all tropical savanna regions and has high levels of endemism. Total plant diversity is thought to be about 10,000 species, with an estimated 4,400 endemics. There are 195 mammals (14 endemics), including several flagships – Maned wolf, giant anteater, giant armadillo, Brazilian tapir, Pampas deer and Jaguar. Bird diversity is high with 605 species (16 endemics). There are 225 reptiles, 289 amphibians, 800 fish, and extraordinary numbers of invertebrates including 10,000 Lepidoptera and 820 species of bees.

The Cerrado has experienced centuries of expansion for cattle ranching, and since the 1950s colonization and development has become a major factor. Improved transport and infrastructure, a major commitment from the automobile industry, and agricultural and soil research resulted in the Cerrado becoming the major agribusiness (soybean, corn, irrigated rice) frontier of the country. Conversion to pasture and charcoal production are additional threats. The natural vegetation of the Cerrado has been heavily impacted, with only an estimated 21% (432,814 km<sup>2</sup>) still intact. Further, the Cerrado is poorly represented in Brazil's protected area system, with its protected areas covering a meager 4.1% of the hotspot.

The hotspot differs from other biomes in Brazil in terms of capacity and funding. It can be described as a forgotten region, one that does not receive much interest from donors or from government. Consequently the Cerrado suffers from a paucity of available conservation funding. Similarly, the capacity of civil society in the region is regarded as being low. Investment in this region would offer opportunities to work with the private sector in particular, to create innovative partnerships to achieve CEPF's conservation goals. Additionally, as mentioned in June, start up could be relatively rapid and yield quick results.